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PART II—Section 2

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LOK SABHA

The following Bill was introduced in Lok Sabha on the 1st August, 1960:—

*BILL No. 32 OF 1960

A Bill further to amend the Rubber Act, 1947

BE it enacted by Parliament in the Eleventh Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Rubber (Amendment) Act, 1960.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Substitution of new section for section 12.

24 of 1947.

2. For section 12 of the Rubber Act, 1947 (hereinafter referred to as the principal Act), the following section shall be substituted, namely:—

Imposition of new rubber cess.

"12. (*1*) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be levied as a cess for the purposes of this Act, a duty of excise on all rubber produced in India at such rate, not exceeding fifty naye paise per kilogram of rubber so produced, as the Central Government may fix.

(*2*) The duty of excise levied under sub-section (*1*) shall be collected by the Board in accordance with rules made in this behalf either from the owner of the estate on which the rubber is produced or from the manufacturer by whom such rubber is used.

*The President has, in pursuance of clause (1) of article 117 of the Constitution of India, recommended to Lok Sabha the introduction of the Bill.

(3) The owner or, as the case may be, the manufacturer shall pay to the Board the amount of the duty within one month from the date on which he receives a notice of demand therefor from the Board and, if he fails to do so, the duty may be recovered from the owner or the manufacturer, as the case may be, as an arrear of land revenue.

(4) For the purpose of enabling the Board to assess the amount of the duty of excise levied under this section—

(a) the Board shall, by notification in the Official Gazette, fix a period in respect of which assessments shall be made; and

(b) without prejudice to the provisions of section 20, every owner and every manufacturer shall furnish to the Board a return not later than fifteen days after the expiry of the period to which the return relates, stating,—

(i) in the case of an owner, the total quantity of rubber produced on the estate in each such period:

Provided that in respect of an estate situated only partly in India, the owner shall in the said return show separately the quantity of rubber produced within and outside India;

(ii) in the case of a manufacturer, the total quantity of rubber used by him in such period out of the rubber produced in India.

(5) If any owner or manufacturer fails to furnish, within the time prescribed, the return referred to in sub-section (4) or furnishes a return which the Board has reason to believe is incorrect or defective, the Board may assess the amount of the duty of excise in such manner as may be prescribed.

(6) Any person aggrieved by an assessment made under this section may, within three months of the service of the notice under sub-section (3), apply to the District Judge for the cancellation or modification of the assessment, and the District Judge shall, after giving the Board an opportunity of being heard, pass such order (which shall be final) as he thinks proper.

(7) The proceeds of the duty of excise collected under this section reduced by the cost of collection as determined by the Central Government shall first be credited to the Consolidated Fund of India, and then be paid by the Central Government to the Board for being utilised for the purposes of this Act, if Parliament by appropriation made by law in this behalf so provides.".

Amendment of section 25.

3. In section 25 of the principal Act,—

(*i*) in sub-section (*2*), after clause (*xx*), the following clause shall be inserted, namely:—

"(*xxa*) the cases and circumstances in which the duty of excise under section 12 shall be payable by the owner and the manufacturers respectively, the manner in which the duty may be assessed, paid or collected, the regulation of the production, manufacture, transport or sale of rubber in so far as such regulation is necessary for the proper levy, payment or collection of the duty;" ;

(*ii*) for sub-section (*3*), the following sub-section shall be substituted, namely:—

"(*3*) Every rule made under this section shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

STATEMENT OF OBJECTS AND REASONS

Section 12 of the Rubber Act, 1947, provides for the levy and collection of cess on all rubber produced in India at a rate not exceeding one anna per pound of rubber. This cess is payable by the owner of the estate on which rubber is produced and is assessed on the total amount of rubber produced as stated in the return which every owner of an estate has to furnish to the Rubber Board not later than 15 days after the expiry of the period in respect of which the assessment is made.

Section 10 of the Act makes it obligatory on the part of every owner of the estate to register himself with the Rubber Board.

This method of collection of the cess provided under the Act has led to considerable evasion of cess by the owners of the estates, either by evasion of registration or by failure to submit correct returns or any returns at all. There are about 26,000 estates under production in the country and most of them are small holdings. Many of them do not render returns of production to the Rubber Board and thus evade payment of duty. From October, 1947 to December 1954, it was found that 20,608 tons of rubber escaped assessment and the Board suffered during the period a loss of Rs. 2,30,805. The Rubber Board estimates that under the present system there is no likelihood of more than 65% of the potential revenue being realised each year.

With a view to improving the efficiency of collection, it is proposed to amend section 12 of the Act so as to enable the cess to be collected either from the owner or the manufacturer who ultimately consumes the rubber produced in the estates.

There are at present 347 registered rubber manufacturers in the country. It is felt that it would be far more easy to collect the cess from a small number of manufacturers than from about 26,000 producers whose number will increase year by year. The proposed amendment of section 12 in the amending Bill is an enabling measure for the administrative change in the method of collection being contemplated.

The opportunity for the amendment of section 12 is also being utilised to increase the permissible maximum rate for the levy of cess from one anna per pound to 50 Naye paise per kilogram. This is necessary for the implementation of certain plans for speeding up the production of natural rubber in the country which are now under consideration.

N. KANUNGO.

NEW DELHI;
The 14th May, 1960.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill seeks to amend section 25 of the Act in order to vest power in the Central Government to make rules for the regulation, manufacture, production, transport or sale of rubber in so far as such regulation is essential for the proper levy and collection of the duty of excise and also for prescribing the circumstances in which the duty shall be payable by the purchaser and the manufacturer respectively. The delegation of legislative power is of a normal character.

M. N. KAUL,
Secretary.

CORRIGENDA

In the Gazette of India Extraordinary, Part II—Section 2—

1. No. 0/I, dated the 8th February, 1960:—

(i) Page 0/11, line 14, *for* "loca" *read* "local"; *line* 16, *read* "or for" *after* "purpose"; line 17, *for* "Chi" *read* "Chief Com-"; and line 18, *read* "relating to" *after* "enactment";

(ii) Page 0/12, marginal heading to clause 3, *for* "Ceiling holdings." *read* "Ceiling on holdings.";

(iii) Page 0/23, marginal reference to line 8, *for* "Delhi Act I of 1954." *read* "Delhi Act 8 of 1954.";

(iv) Page 0/35, line 3, *after* "dispossessed" *read* "of";

(v) Page 0/38, line 3 from the bottom, *for* "Houes." *read* "House.";

(vi) Page 0/73, line 10, *for* "and" *read* "land";

(vii) Page 0/80, line 30, *for* "under section (2)" *read* "under sub-section (2)";

(viii) Page 0/106, line 3, *for* "landless than" *read* "land less than";

(ix) Page 0/107, line 16, *for* "was" *read* "we";

(x) Page 0/125, line 20, *for* "helding" *read* "holding".

2. No. 6, dated the 29th February, 1960:—

Page 92, line 47, *for* "dy" *read* "duty".

3. No. 12, dated the 28th March, 1960:—

(i) Page 186, line 25, *read* "14 of 1947" as marginal reference;

(ii) Page 210, lines 4 and 5, *for*

"Bombay 398 10:91

Gujarat 5:38" *read*

"Bombay 398 10:91

Gujarat 202 5:55";

(iii) Page 235, marginal heading to clause 21, line 1, *for* "Power of" *read* "Power to";

4. No. 13, dated the 28th March, 1960:—

(i) Page 278, marginal heading to clause 7, line 1, *for* "Function" *read* "Functions of";

(ii) Page 283, line 36, *for* "if" *read* "of".

5. No. 15-A, dated the 14th April, 1960:—

(i) Page 309/29, line 10, *read* "a" *before* "constituency";

(ii) Page 309/62, line 35, *for* "Khodado" *read* "Khodade";

(iii) Page 309/66, line 27, *for* "Shri Jadavji Keshavji Modi" *read* "Shri Jadvaji Keshavji Modi";

(iv) Pag 309/78, line 27, *for* "Kalapur" *read* "Kelapur";

(v) Page 309/79, line 19, *for* "Dandami" *read* "Dondami";

6. No. 17, dated the 18th April, 1960:—

(i) Page 318, marginal heading to clause 5, *for* "me dment f Fourth le" *read* "Amendment of Fourth Schedule.";

(ii) Page 328, line 22, *for* "Mines" *read* "Mints".

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